

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 328 - SB 835

February 14, 2013

SUMMARY OF BILL: Prohibits the Board for Licensing Contractors from granting or allowing any exception to any monetary limitations of licensed contractors. Prohibits contractors, mechanics, or materialmen who are not properly licensed from providing a lien for improvements on real property. Redefines "visible commencement of operations." Amends the *Truth in Construction and Consumer Protection Act* by rendering the "pay-if-paid" clause unenforceable.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The Board for Licensing Contractors will incur a one-time cost of \$1,500 to hold a rule-making hearing. This increase in expenditures will be covered by current fee revenue. As of June 30, 2012, the Board had a reserve account balance of \$2,688,206.

Assumptions:

- According to the Department of Commerce and Insurance, the Board for Licensing Contractors will incur \$1,500 one-time expenditures for rule-making relating to transcript costs (\$1,000) and a court reporter (\$500). According to the Department, these expenditures can be handled within existing resources.
- Pursuant to Tenn. Code Ann. §4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$493,784 in FY10-11, \$613,362 in FY11-12, and a closing reserve balance of \$2,688,206 on June 30, 2012.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jdb